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April 15, 2008

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CERTIFIED MAIL

Mr. Jeffrey W. Crockett, Esq. Mr. Bradley S. Carroll, Esq. SNELL & WILMER One Arizona Center Phoenix, Arizona 85004-2202

RE: STAFF'S LETTER OF INSUFFICIENCY AND FIRST SET OF DATA REQUESTS TO ACCIPITER COMMUNICATIONS, INC., AND QWEST CORPORATION, DOCKET NOS. T-02847A-08-0164 AND T-01051B-08-0164

Dear Sirs:

On March 18, 2008, Accipiter Communications, Inc., dba Zona Communications ("Accipiter" or "Zona") and Qwest Corporation ("Qwest") jointly filed an Application at the Arizona Corporation Commission ("Commission") for Accipiter to extend its Certificate of Convenience and Necessity ("CC&N") and to delete a portion of its CC&N in favor of Qwest and for Qwest to extend its service area and delete a portion of its service area in favor of Accipiter. The Application submitted is not yet sufficient. This data request lists the information Staff needs to complete its analysis of the Application.

For purposes of this data request set, the words "Accipiter", "Zona", "Qwest", "Applicant", the "Company", "you", and "your" refer to Accipiter Communications, Inc. or Qwest Corporation, Inc., any representative, including every person and/or entity acting with, under the control of, or on behalf of Accipiter communications, Inc. or Qwest Corporation respectively. For each answer, please identify by name, title, e-mail address, telephone number and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Accipiter Communications, Inc and Qwest Communications Docket Nos. T-02847A-08-0164 and T-01051B-08-0164 Page 2

Please provide Docket Control with the information being requested within 30 days of the date of this letter. Mail an Original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will recommend that the Application be terminated. If the Application is terminated, the Applicants cannot provide to the requested transferred service areas the telecommunications services that they are authorized to provide in Arizona, until such time as a new Application is filed with and approved by the Commission. Remember that information submitted concerning a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. Should there be any questions, please contact me at (602) 364-0336. Thank you for your prompt response to this request.

Respectfully,

Richard Boyles Utilities Engineer Utilities Division

RLB:kdh

Enclosure(s)

CC: Docket Control (Original and Thirteen Copies)

Mr. Norman G. Curtright, Esq.

STAFF'S FIRST SET OF DATA REQUESTS TO ACCIPITER COMMUNICATIONS, INC. DOCKET NO. T-02847A-08-0164

In addition to a paper response, all information responses should also be provided in <u>searchable PDF</u>, DOC or EXCEL files via email or electronic media.

Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this Application, the following information must be submitted:

Please provide copies of any data requests served on Accipiter STF 1.1 Communications Inc. ("Accipiter", "Zona" or the "Company") by any other party in this docket and Accipiter's responses thereto. Has Zona received any requests for service from anyone located within the STF 1.2 area referred to in the joint Application as the Zona Extension Area? If yes, please copies of the requests. Has Zona received any requests for service from anyone located within the STF 1.3 area referred to in the joint Application as the Owest Extension Area? If yes, please copies of the requests. Do potential customers to whom service has not been extended currently STF 1.4 exist in the Owest Extension Area? If yes, please identify the quantity, their approximate location and the reasons for which Zona has not extended service. Does Zona continue to believe that the financing that was approved in STF 1.5 Decision 68913 is sufficient for the construction of facilities to serve the Lake Pleasant 5000 property? If no, how does Zona propose to make up any shortfall? Please describe the facilities Zona would construct to serve the Lake STF 1.6 Pleasant 5000 property and the types of services offered. What is the estimated timeframe for when the developer would begin sales STF 1.7 at the Lake Pleasant 5000 property? When would Zona be required to start constructing its facilities within the STF 1.8 Lake Pleasant 5000 property? Does Zona know who will provide cable video services in the Lake STF 1.9 Pleasant 5000 property? If yes, please supply the name of the cable video provider. What would the impact be if the FCC were not to approve a Study Area STF 1.10 waiver for the proposed exchange of service areas?

STAFF'S FIRST SET OF DATA REQUESTS TO ACCIPITER COMMUNICATIONS, INC. DOCKET NO. T-02847A-08-0164

STF 1.11 Should the exchange of service area be approved, how does Accipiter anticipate that its receipt of funds from the Federal Universal Service Fund will be impacted?

STF 1.12 For what reasons did Accipiter agree to the proposed exchange of service area with Accipiter and why does Accipiter believe such a transfer is in the Public Interest?

STF 1.13 Are there any developments that extend across the boundary of Accipiter's current service area and the Zona Extension area? If yes, please describe.

STAFF'S FIRST SET OF DATA REQUESTS TO QWEST CORPORATION DOCKET NO. T-01051B-08-0164

In addition to a paper response, all information responses should also be provided in <u>searchable</u> PDF, DOC or EXCEL files via email or electronic media.

Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this Application, the following information must be submitted:

Please provide copies of any data requests served on Qwest Corporation STF 1.1 ("Qwest" or the "Company") by any other party in this docket and Owest's responses thereto. Has Owest received any requests for service from anyone located within STF 1.2 the area referred to in the joint Application as the Zona Extension Area? If yes, please copies of the requests. Has Owest received any requests for service from anyone located within STF 1.3 the area referred to in the joint Application as the Qwest Extension Area? If yes, please copies of the requests. STF 1.4 Do potential customers to whom service has not been extended currently exist in the Zona Extension Area? If yes, please identify the quantity, their approximate location and the reasons for which Qwest has not extended service. STF 1.5 Is the customer identified in Section V of the Joint Application located within the western non-contiguous portion of Owest Phoenix Metro service area? If no, please explain. Please describe the Qwest facilities which traverse the Qwest Extension STF 1.6 Area. Would Qwest's costs to provide service to the Qwest Extension Area STF 1.7 necessitate line extension charges being applied to requests for service within the area? Would the Qwest Extension Area be designated as being within the STF 1.8 Phoenix Metro base rate area? If no, please explain. Do any Qwest affiliates have any objections to the proposed exchange of STF 1.9 service area requested in the Joint Application? If yes, please explain. Do all Owest affiliates accept that this transaction in no way changes the STF 1.10 terms and conditions of decisions granting them authority to provide telecommunications within the state of Arizona? If no, please explain.

STAFF'S FIRST SET OF DATA REQUESTS TO QWEST CORPORATION DOCKET NO. T-01051B-08-0164

- STF 1.11 For what reasons did Qwest agree to the proposed exchange of service area with Accipiter and why does Qwest believe such a transfer is in the Public Interest?
- STF 1.12 Are there any developments that extend across the boundary of Qwest's current service area and the Qwest Extension area? If yes, please describe.